

Mr. Jeff Jordan
Federal Election Committee
Office of the General Counsel
999 East Street NW
Washington DC 20463

FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

2008 JUN -6 P 1:49

June 5, 2008

Mr. Jordan,

On May 26, 2008, I received an FEC complaint, reference MUR 6009, filed against Sigmon for Congress and David K. Blanton, Treasurer.

In that complaint, it is alleged that an in-kind contribution was received from a corporation, specifically Hickory Travel and Tours, Inc, without "any disbursements."

In fact, the first payment of \$2,788.00 to Hickory Travel and Tours was paid by the campaign on March 13, 2008 (Attachment 3) and is reflected on the FEC Form 3, filed on April 24, 2008. The campaign was billed an additional \$7063 and that bill was received on May 8, 2008. In total, the campaign was billed a total of \$9851.00 between February and May 2008 for phone bank services, access to phone lines, internet access, office equipment usage and "office space." Any allegation that there had been no disbursements for the use of these services/equipment usages is totally false.

In addition, the allegation that the Sigmon for Campaign office was housed in the Hickory Travel and Tours office is totally false. The campaign phone lines, internet server, fax, files and other related campaign functions were based out of my home in Newton, NC. Arrangements for this use of my home began in late 2007 with the installation of a toll-free phone line, business internet services through Charter, and the rental of a post office box at the Newton, NC post office. Our home was the site of campaign staff meetings on a weekly basis, as well as being used for any other campaign needs, such as folding and preparing bulk mailings.

I have attached two affidavits in response to that complaint demonstrating that "anything of value" provided by Hickory Travel and Tours, Inc., was adequately accounted for and appropriately billed to the Sigmon for Congress campaign.

If you have any questions, please contact me at _____ . Please forward any future correspondence to _____ Newton, NC 28658.


Lance B. Sigmon
Attorney at Law

Attachments:

1. Affidavit of Lance Sigmon
2. Affidavit of John Cline
3. Copy of Check, March 13, 2008

28044220099

Affidavit

On 26 May 2008, I received the FEC Complaint MUR# 6009. In response to this complaint I provide the following response:

On 3 January 2008, the Sigmon for Congress campaign officially began. In preparation for the campaign, during late 2007 I established a "campaign headquarters" in my personal residence in Newton, NC. I rented a post office box in Newton, and set up both local and toll-free campaign phone lines which ring at my "headquarters"/personal residence. A website for the campaign was created and maintained at my "headquarters"/personal residence, along with a stand-alone computer server for use in hosting the website and for sending bulk campaign e-mails. We changed our internet service type from "home" to "business" in order to accommodate the anticipated increase in usage due to the website hosting and e-mail usage. Also at my "headquarters"/personal residence, a phone number was assigned and designated as a dedicated fax line for use during the campaign, a telephone answering machine was used to manage campaign phone calls, weekly meetings were held in my family room, and our basement "rec room" was used as needed to work on bulk mailings.

During the early part of my official campaign, I entered into a verbal agreement with John Cline concerning the use of a computerized phone bank that was located at 1247 2nd Street Northeast, Hickory, North Carolina. Mr. Cline's personal office is located at that same address, which also houses Hickory Travel and Tours, Inc, and an accounting agency. This computerized phone bank was a stand-alone computer situated within John Cline's personal office space at the above location. Prior to entering into this agreement, this computerized phone bank had been inoperable and was "restarted" as a result of our verbal agreement.

As part of our agreement, it was also arranged that at least one of the campaign staff would have access to this stand-alone computer, the phone lines attached to that computer, unlimited internet access, and any other printers or office equipment that might be occasionally needed. These services were necessary in order for the Sigmon for Congress campaign to be able to use, update, and upgrade this computerized phone system for the majority of our campaign calls and to handle minor campaign issues that may arise while they (a campaign worker) were at that location. I agreed to work to get the system (which had been disabled for a significant period of time) in working order again, to make the bulk of my campaign calls through this system, and to pay for the use of this phone system and other equipment usage.

On February 8, 2008, the Sigmon for Congress campaign was first billed in accordance with this agreement in the amount of \$2,788.00. That expense was paid out of campaign funds on 13 March 2008, and is shown on page 35 of Schedule B, FEC Form 3, filed on April 24, 2008. On May 8, 2008, the Sigmon for Congress campaign received a second bill for an additional \$7,063.00. As of today, that bill remains outstanding.


Lance B. Sigmon

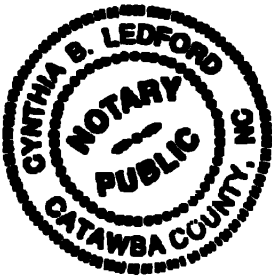
North Carolina
County of Catawba

Signed and sworn to before me this day by Lance B. Sigmon.

Witness my hand and official seal, this the 4th day of June, 2008.

Cynthia B. Ledford
(Official Seal)
Commission Expires Oct. 3, 2012

Official Signature of Notary
Cindy Ledford, Notary Public



28044220102

DAVID K BLANTON
CPA
1000 10TH AVENUE, N.W.
ALBUQUERQUE, NM 87102
505-261-1000
www.dkblanton.com

June 5, 2008

Mr. [Name]
[Address]
[City, State, Zip]

Dear Mr. [Name]:

Thank you for your letter of June 4, 2008, regarding the [Subject]. I have reviewed the information provided and am pleased to inform you that [Details].

Sincerely,
David K. Blanton, CPA

2008

June 5, 2008

Mr. [Name]
[Address]
[City, State, Zip]

Dear Mr. [Name]:

Thank you for your letter of June 4, 2008, regarding the [Subject]. I have reviewed the information provided and am pleased to inform you that [Details].

Sincerely,
David K. Blanton, CPA

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FINAL 06/07/08

FILED 06/07/08

Affidavit


My name is John Jay Cline. I reside at [] [] [] Conover, North Carolina. I am the co-owner of an office building at 1247 2nd Street Northeast, Hickory, North Carolina. At this location, I own and operate Hickory Travel and Tours, Inc. At the same location, we rent the upstairs offices to an accounting agency, and I have a personal office.

Several years ago, I became the owner of a computerized phone bank. I maintain that computerized phone bank system within my personal office on a small desk. This phone system is a stand-alone computer attached to several phone lines, the internet, and a printer. Prior to entering into a verbal agreement with Lance Sigmon, I had not utilized this computerized phone bank for over a year, and I was aware that the phone bank and computer would require some work and updating to be fully operational again.

Sometime in January, 2008, I entered into a verbal agreement with Lance Sigmon, candidate for Congress, concerning the use, for a fee, of this computerized phone bank system during his run for office. As part of my agreement with Mr. Sigmon, I agreed that at least one of the campaign staff members would have access to this stand-alone computer including use of phone lines attached to that computer, unlimited internet access, use of the printers and other office equipment. Additionally, the agreement also authorized the Sigmon for Congress campaign staff to have use of the office facsimile/copier and other office equipment located in the building if needed while they were working in my personal office. The Sigmon for Congress campaign agreed to help update my phone bank system and phone lists for the area, validate the operational status of the system, and make any adjustments needed in order to utilize the computerized phone bank for the bulk of its campaign calls. By doing so, I gained the ability to use and market my computerized phone system for other purposes in the future.

In addition to this computer system, I also maintain a facsimile machine, several other computers and other phone lines for the use of Hickory Travels and Tours, Inc. Between January and May 2008, I employed between one and two travel agents in connection with Hickory Travel and Tours. Neither employee was associated with the campaign or provided any services to the campaign. However, it is possible that if someone entered the building and asked for me or asked for one of Mr. Sigmon's staff members (if/when someone was in the office working) that one of my employees may have directed that individual to my personal office where the computerized phone bank is located.

Between January and May 2008, Sigmon for Congress utilized the computerized phone bank system and other office equipment in accordance with our previous agreement. For those services, I billed the Sigmon for Congress campaign in the amount of \$2,788.00 in February, 2008, and an additional \$7,063 in May, 2008 (see attached bill) for these services/equipment usage and utilization of the computerized phone bank. I received a check for \$2788 in mid-March 2008. As of today, I have not received payment for the final bill.


John Cline

28044220103

North Carolina
County of Catawba

Signed and sworn to before me this day by John Jay Cline.

Witness my hand and official seal, this the 5th day of June, 2008.

(Official Seal)

Official Signature of Notary
Pepper B. Lunsford Notary Public

My commission expires: February 24, 2011

May 7, 2008

Hickory Travel and Tours
Hickory, NC

Sigmon for Congress
PO Box 1229
Newton, NC 28658

Dear Lance,

It has been a pleasure working for your campaign through the phone system. We have printed out phone call lists for every country for your campaign's use. We have also printed out walking lists in which you are able to use for going door to door. The phone system has made thousands of calls.

We have made 66,961 calls, including a call back if the line was busy or went unanswered. The total number reached by live answer or answering machine was over 50,000.

Below is the final bill of the amount that is owed and is due upon receipt. Please make out the check to Hickory Travel and Tours.

The total bill for use of the computerized phone call system, internet access, phone calls made, and use of other office equipment comes to: \$9851.00

Payment received on March 13: \$2788.00

BALANCE DUE: \$7063.00

We are happy to be of service.

Sincerely,

Hickory Travel and Tours

28044220105